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C.I.A. SAID TO TELL PANEL THAT NORTH MISLED IT ON ARMS

By STEPHEN ENGELBERG Special to The New York Times

WASHINGTON, Dec. 12 — The Centrai Intelligence Agency has told Congress that Lieut. Col. Oliver L. North persuaded the agency to help in a 1985 arms shipment to Iran by giving a middle-level employee misleading information about what was being sent, according to people familiar with the Congressional investigation.

Some investigators and members of the Congressional intelligence committees were said to be skeptical about the account and suspect that the C.I.A. could have known the shipment contained arms for Iran.

C.I.A. Role in 1985 Delivery

The issue is important because the C.I.A. assisted in the arms delivery in November 1985, more than two months before President Reagan authorized the agency's participation in covert arms deliveries to Iran. Members of Congress have been trying to determine whether the C.I.A. violated the without formal authorization.

There were also these developments today:

4President Reagan rejected appeals from Republican members of Congress that he oust additional senior officials from his Administration in connection with the diversion of funds to have been angered by Mr. Casey's from the Iranian arms sales to the Nicaraguan rebels. Mr. Reagan also denied again that he had prior knowledge of the diversion.

4The President declined to convene a special session of Congress to examine the matter, as requested by the Senate majority leader Bob Dole, Republican of Kansas.

SA high-ranking Israeli official was said to have won President Reagan's approval to ship 500 antitank missiles to Iran in 1965 by telling him that Israel believed the action would lead to the freeing of all the Americans then held hostage.

9Colonel North appears to have worked closely with a network of former intelligence agents and arms dealers run by Maj. Gen. Richard. V. Secord, a retired Air Force officer, and his Iranian business partner.

According to the C.I.A.'s account, Colonel North called the agency over a weekend with a request that it help arrange for delivery of oil-drilling equipment to Iran. The middle-level employee agreed to help, and then called an air freight company with direct ties to the C.I.A. He told this company to cooperate with the shipment, which went from Israel to Iran, according to people familiar with the agency's ac-

A Reliable Air Freight Company

Several officials said that Israel was having problems at the time-finding a reliable air freight company that could make deliveries to Iran.

If the C.I.A.'s account can be verified, it would be a vivid illustration of how Colonel North used his position as a Presidential aide to force the bureaucracy to cooperate with White Housesupported covert activities.

Several Admininstration officials noted that Colonel North wielded significant authority in his post on the staff of the National Security Council. "You people in the media have got to stop referring to him as just a lieutenant colonel," said one Administration, official. "He was a White House aide involved in the most sensitive possible.

operations who would scream at generals to get things moving."

Statement by Casey

William J. Casey, the Director of law by assisting the covert shipment Central Intelligence, initially told Congress that his deputy, John N. McMahon, had authorized the agency's participation in the 1985 shipments by Israel to Iran. But he later corrected that testimony, saying he had "mispoke" himself.

> assertion, and he told Congress subsequently that the shipment had been made without his permission.

> But Congressional investigators were said to be continuing to examine the agency's account. One avenue of inquiry, they said, was evidence that the agency was aware of the Israeli shipments to Iran through its own intelligence-gathering in the Middle East.

This raises the question of whether more senior agency officials could have had reason to believe that the shipment of oil drilling parts was in fact a shipment of weapons.

According to the agency's testimony to Congress, Mr. McMahon learned after the fact that the flight had ferried weapons to Iran. He was said by one Administration official to have gone to the White House and insisted that President Reagan make a formal "finding," or intellligence order authorizing the covert shipments.

The officials said this request prompted a vigorous dispute inside the Government, with some officials arguing that the finding was unnecessary. At the same time, a number of senior Administration officials were arguing that the entire program with Iran should be called off because it was becoming an arms-for-hostages swap.

The decision was eventually reached in January of this year to continue the shipments, but to withdraw the weapons from American stocks and use the C.I.A. directly.

Beginning in 1986, the C.I.A. was actively involved in the arms shipments to Iran. It withdrew the weapons from Pentagon stocks, arranged for their delivery to Iran, and its operatives were present at each meeting between American officials and Iranians, according to Administration accounts.

Another question being closely examined by the Congressional committees is whether the agency knew, or should have known, that money was being diverted from the proceeds of the arms sales to the Nicaraguan rebels, known as contras.

Attorney General Edwin Meese 3d has said that after the Pentagon was reimbursed for the weapons, \$10 milhion to \$30 million in profits from the Iranian payments were funneled to the Nicaraguan rebels.

Investigators have been reviewing intelligence data to determine whether there was evidence that should have tipped off the C.I.A. to the diversion of

Payments Are Traced

They have also been tracing the path of the payments from Iran for the weapons. One preliminary finding, according to officials familiar with the Congressional investigation, is that some of the money went into a large C.I.A. Swiss bank account that is also used to hold \$250 million in American money for the Afghan rebels and matching \$250 million provided by Saudi Arabia.

But it appears thus far that the only money that went into this account was the \$12 million that the C.I.A. was required to repay the Pentagon for weapons sent to Iran. If this finding is not contradicted, it would show that the agency did not use its accounts for any of the money diverted to the contras.